

requirements are designed to assist securities regulators in conducting efficient examinations. The Commission estimates, therefore, that on average each broker-dealer would spend 10 minutes each year to ensure compliance with these requirements, yielding a total additional burden of about 1,203 hours.<sup>13</sup>

Thus, the Commission estimates that the total annual burden of the amendments to Rule 17a-3 will be 1,288,598 hours. The Commission further estimates that broker-dealers would incur a one-time burden to update certain forms, to include additional information on the new account form and provide customers with an address as to where they should direct complaints, of 28,856 hours.<sup>14</sup> Finally, based on comments received in response to the reproposing release,<sup>15</sup> the Commission estimates that broker-dealers will incur \$21.2 million in start-up costs for systems and equipment development, and up to \$24.8 million in annual costs for postage and systems development in order to comply with the amendments to Rule 17a-3. On January 30, 2002, OMB approved the collections of information contained in the amendments to rule 17a-3.

### C. Total Annual Reporting and Recordkeeping Burden of Amendments to Rule 17a-4

The amendments to Rule 17a-4 require that certain information be kept for prescribed periods of time. The Commission estimates that compliance with the amendments for Rule 17a-4 would require an additional 28,868 hours each year.<sup>16</sup> On April 18, 2002, OMB approved the collections of information contained in the amendments to Rule 17a-4.

### III. Additional Information

The amendments to Rules 17a-3 and 17a-4 (OMB Control Nos. 3235-0033 and 3235-0279, respectively) were adopted pursuant to the authority conferred on the Commission by the Exchange Act, including sections 17(a) and 23(a). An agency may not conduct or sponsor, and a person is not required

to respond to, a collection of information unless it displays a currently valid control number. We are providing this notice to inform the public that the Commission has received OMB approval and OMB has issued a control number for this collection.

It is mandatory for all brokers and dealers to create records as required pursuant to Rules 17a-3 and to retain those and other specified records as set forth in Rule 17a-4.

The records required by the amendments to the Books and Records Rules are not filed with the Commission, but are available to the examination staffs of the Commission, State regulatory authorities, and the SROs. Subject to the provisions of the Freedom of Information Act, 5 U.S.C. 552 ("FOIA") and the Commission's rules thereunder (17 CFR 200.80(b)(4)(iii)), the Commission generally does not publish or make available information contained in reports, summaries, analyses, letters, or memoranda arising out of, in anticipation of, or in connection with an examination or inspection of the books and records of any person or any other investigation.

Dated: March 26, 2003.

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 03-7617 Filed 3-28-03; 8:45 am]

BILLING CODE 8010-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-47566; File No. SR-NASD-2003-41]

### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the National Association of Securities Dealers, Inc. To Disseminate Up to Thirty Additional Corporate Bonds Under the Trade Reporting and Compliance Engine ("TRACE") Rules

March 25, 2003.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 18, 2003, the National Association of Securities Dealers, Inc. ("NASD") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by NASD. NASD

has designated the proposed rule change as constituting a "non-controversial" rule change pursuant to section 19(b)(3)(A)(iii) of the Act,<sup>3</sup> and Rule 19b-4(f)(6) thereunder,<sup>4</sup> which renders the proposal effective upon filing with the Commission.<sup>5</sup> The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

NASD is proposing to amend Rule 6250(a)(4) to increase the number of TRACE-eligible securities to be disseminated under the rule from 90 securities to up to 120 securities. Below is the text of the proposed rule change. Proposed new language is in *italics*; proposed deletions are in brackets.

\* \* \* \* \*

#### 6250. Dissemination of Corporate Bond Trade Information

##### (a) General Dissemination Standard

Immediately upon receipt of transaction reports received at or after 8:00 a.m. through 6:29:59 p.m. Eastern Time, NASD will disseminate transaction information (except that market aggregate information and last sale information will not be updated after 5:15 p.m. Eastern Time) in the securities described below.

(1) No Change.

(2) No Change.

(3) No Change.

(4) Ninety to 120 TRACE-eligible securities designated by NASD that are rated "Baa/BBB" at the time of designation, according to the following standards.

(A) Three groups, *each* composed of *up to 50* [30] TRACE-eligible securities (Group 1, Group 2, and Group 3), *but collectively not exceeding 120* shall be designated by NASD. At the time of designation, each TRACE-eligible security in Group 1 must be rated "Baa1/BBB+[:]" and each TRACE-eligible security in Group 2 and Group 3 must be rated, respectively, "Baa2/BBB-[:]" and "Baa3/BBB-[:]" [provided that if] *If a TRACE-eligible security is rated one of the "Baa" ratings by Moody's and one of the "BBB" ratings by S&P and the ratings indicate two different levels of credit quality, the lower of the two ratings will be used to determine the group to which a debt*

<sup>13</sup> (7,217 broker-dealers × 10 minutes) / 60 minutes.

<sup>14</sup> 7,217 total active registered broker-dealers × 4 hours each. This includes the time it would take for a broker-dealer to draft the additional language and incorporate it into its present forms.

<sup>15</sup> Exchange Act Release No. 40518 (Oct. 2, 1998), 63 FR 54404 (Oct. 9, 1998).

<sup>16</sup> The Commission estimates that, on average, each broker-dealer (7,217) would spend four hours each year to ensure that it is in compliance with the amendments to Rule 17a-4 and to produce required records promptly at an office when so required.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(6).

<sup>5</sup> NASD asked the Commission to waive the 30-day operative delay. See Rule 19b-4(f)(6)(iii). 17 CFR 240.19b-4(f)(6)(iii).